

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

**SECTION 1211 OF THE INTERNAL REVENUE CODE OF  
1986**

**SEC. 1211. LIMITATION ON CAPITAL LOSSES.**

(a) \* \* \*

(b) **OTHER TAXPAYERS.**—In the case of a taxpayer other than a corporation, losses from sales or exchanges of capital assets shall be allowed only to the extent of the gains from such sales or exchanges, plus (if such losses exceed such gains) the lower of—

(1) **【\$3,000 (\$1,500) \$8,250** *(1/2 such amount* in the case of a married individual filing a separate return), or

\* \* \* \* \*

(c) **ADJUSTMENT FOR INFLATION.**—

(1) **IN GENERAL.**—*In the case of any taxable year beginning in a calendar year after 2002, the \$8,250 amount contained in subsection (b)(1) shall each be increased by an amount equal to—*

(A) *such amount, multiplied by*

(B) *the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins by substituting “calendar year 2001” for “calendar year 1992” in subparagraph (B) thereof.*

(2) **ROUNDING.**—*If any increase determined under paragraph (1) is not a multiple of \$50, such increase shall be rounded to the next highest multiple of \$50.*